

To: Beeler, Cindy[Beeler.Cindy@epa.gov]; Hanley, Mary[Hanley.Mary@epa.gov]
From: Marks, Teresa
Sent: Fri 10/30/2015 3:28:11 PM
Subject: RE: R8 Efforts to Address Ozone Air Quality Issues in the Uinta Basin (NE Utah)

Thanks Cindy. Appreciate the update. Have a Happy Halloween

From: Beeler, Cindy
Sent: Friday, October 30, 2015 11:25 AM
To: Marks, Teresa <Marks.Teresa@epa.gov>; Hanley, Mary <Hanley.Mary@epa.gov>
Subject: R8 Efforts to Address Ozone Air Quality Issues in the Uinta Basin (NE Utah)

Teresa & Mary –

Just wanted to provide a heads up about work underway in Region 8 to draft Uintah & Ouray Indian Reservation-specific air regulations (“U&O FIP”) for existing sources (i.e. that pre-date NSPS OOOO requirements). We are working closely with OAQPS (Bruce Moore, Greg Green, Chris Stoneman) and our Air Director, Carl Daly has been in close touch with Debbie Jordan about this. He and Shaun McGrath chatted with Janet McCabe about this last week.

- The U&O Reservation is in the Uinta Basin and ~75% of the oil & gas production in the basin is from sources on Indian country
- The Uinta Basin currently experiences high winter ozone values that exceed NAAQS (70 ppb) – we’ve had readings as high as 132 ppb.
- There is a discrepancy between the control requirements on the U&O Indian Reservation and those required by Utah Department of Environmental Quality Division of Air Quality (UDA Q).
- To create a level playing field for industry we are focusing on harmonizing the two main regulatory mismatches:
 - Existing facilities in Utah must retrofit flares with auto-igniters, use submerged-fill to load/unload oil from tanks/trucks, replace high-bleed pneumatic controllers with low/no-bleed, and properly operate and maintain units for production and control.
 - Existing facilities in Utah must apply BACT in order to receive a permit (aka approval order).

BACT typically consists of a flare or other control device with 98% VOC destruction efficiency for storage tanks, glycol dehydrators, and pneumatic pumps, as well as annual inspections for leak detection and repair.

- This U&O FIP would apply to existing facilities with actual VOC \geq 5 tons per year (tpy) where combined emissions from glycol dehydrators, storage tanks, and pneumatic pumps \geq 4 tpy (same thresholds as UDAQ).
- The U&O FIP does not cover new sources, since they are regulated through the proposed national oil and gas regulations and would have been cost prohibitive to include in this FIP.
- New minor sources would be regulated under NSPS OOOO once it becomes final in mid to late November 2016.
- A Non-Attainment FIP for this area would include both new and existing sources and will be several years down the road.
- These controls are also similar to the recommendations included in the Control Techniques Guidelines.
- Using existing Tribal Minor source registration data, we anticipate controls on tanks and/or dehyds to be required at ~3,200 facilities and reduce VOC emissions by ~42,000 tpy.
- Tribal leaders and UDAQ participated in stakeholder meetings and support idea of U&O FIP.
- We have conducted separate outreach meetings with Industry, Environmental NGOs, Federal Land Managers, and local County Commissioners with UDAQ at our side at each and the Ute Tribe at most.

Shaun will be in D.C. next week meeting with Janet and others and will be discussing this current effort among other things.

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